

## **MINUTES OF THE APRIL 24, 2007 RECESSED SPECIAL COUNCIL MEETING**

### **COUNCIL MEMBERS PRESENT**

John H. Tarr, Mayor  
Anita W. Speidel, Vice Mayor  
Nancy B. Conklin, Councilwoman  
Terry Howard, Councilman  
Ellen W. Richardson, Councilwoman  
W. David Ross, Councilman  
Glenn B. Wolfe, Councilman

### **1. Call to Order.**

Mayor Tarr called the Recessed Special Meeting to order for the purpose of a workshop on the draft Fiscal Year '08 budget at 4:30 p.m.

### **2. Invocation.**

Councilman Howard offered the Invocation.

### **3. Pledge of Allegiance.**

Mayor Tarr led in the Pledge of Allegiance.

### **4. Fiscal Year '08 Draft Budget.**

#### **General Government Expenditures**

Council reviewed and discussed the proposed salaries, benefits, and expenses for General Government.

Mayor Tarr asked that the Town consider in the future paying the employees share of retirement. He feels that with many of our surrounding localities offering this benefit it will keep the Town competitive in the employment market.

#### **Public Works Administration Expenditures**

Council reviewed and discussed the proposed salaries, benefits, and expenses for Public Works Administration.

Salaries and benefits for Public Works Administration have been spread out through all the divisions of Public Works, Water, and Mosquito Control.

#### **Public Works Facilities Expenditures**

Council reviewed and discussed the proposed salaries, benefits, and expenses for Public Works Facilities.

Council discussed the sanitation services contract and the possibility of the Town taking over this function upon completion of the current contract. Council also discussed a solid waste collection fee. Council also discussed the current playground equipment at Memorial Park and the need for its replacement. Council felt that some money should be placed in this line item to begin the replacement and to seek grant funding for a portion. Chief Lewis stated that the Police Department would be willing to donate \$20,000 from their fundraising to the playground equipment.

#### Public Works Roads Expenditures

Council reviewed and discussed the proposed salaries, benefits, and expenses for Public Works Roads Division. The Roads Division balances to the VDOT Maintenance Funds in revenue.

#### Police Department Expenditures

Council reviewed and discussed the proposed salaries, benefits, and expenses for the Police Department.

#### Emergency Dispatch Expenditures

Council reviewed and discussed the proposed salaries, benefits, and expenses for Emergency Dispatch.

#### General Fund Revenues

Council discussed increases in real estate assessments. Although part of the Sunset Bay project will be included in the 2007 real estate tax assessment as "in construction", neither unit had gone to settlement as of January 1, 2007.

Council discussed the Personal Property Tax Relief amount for FY'08.

Council discussed the collection of Meals Tax and the fewer restaurants on the Island.

Council discussed increasing the motor vehicle license rate from \$23.00 to \$27.00 as reflected in the proposed budget.

It was explained that as of January 1, 2007, the state collects a telecommunications tax which includes 911 taxes. The state establishes the rate and collects the money. They take off administrative fees and forward a percentage of the revenues to the Town. The tax rates established by the state were less than the rates the Town levied. The state will also collect all franchise fees for telecommunications and cable television.

Council discussed the DMV Agency compensation line item. Although all our citizens like the convenience of having a DMV office here, the staff has been so overloaded with DMV work that their Town work is suffering. DMV has notified the Town that beginning July 1, 2007 the percentage of compensation will increase by .5% however the Town will be responsible for all equipment, printers, telephone lines, etc.

After the first review, the general fund had approximately \$176,000 more in expenditures than revenue.

Council then discussed possibilities for additional revenue.

#### Transient Occupancy Tax

Council was presented with figures if Transient Occupancy Tax was increased by .5% and 1%. This could potentially increase revenues \$66,000 to \$175,000. Council also discussed the percentage to the Chincoteague Recreation & Convention Center Authority and their request for increased funding.

#### Business License

Council was presented with figure if the minimum and maximum business license was increased. This could potentially increase revenues by \$20,000 to \$25,000.

#### Solid Waste Fee

Council discussed a weekly solid waste fee imposed on all homes and business on the Island.

#### Real Estate Tax

Council was presented and discussed figures if the real estate tax rate was increased. A \$0.03 per \$100 of assessed value could potentially increase revenues by \$144,000.

- It was the consensus of Council to propose in the FY'08 draft budget a 1% increase in transient occupancy tax with 17% allocation to the Authority and a one time donation of \$10,000, and a \$1.00 per week solid waste collection fee.

### **5. Adjournment.**

Councilman Wolffe motioned, seconded by Councilwoman Conklin to adjourn the meeting.

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Mayor

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Town Manager